

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

13 OCTOBER 2016

7

Report Title	LOCAL COUNCIL TAX SUPPORT SCHEME
Purpose of Report	To set a Council Tax Support Scheme for the period 01 April 2017 to 31 March 2018.
Decision(s)	Strategy and Resources Committee RECOMMENDS to Council that it adopts the current Local Scheme as the scheme for Stroud District Council for the period 01 April 2017 to 31 March 2018.
Consultation and Feedback	Consultation took place between 18 July 2016 to 26 August 2016.
Financial Implications and Risk Assessment	<p>The report recommends that the council's current Local Council Tax Support Scheme (LCTS) remains unchanged for 2017/18. The Council, when adopting its local scheme in 2013/14, retained the same level of support locally as was provided under the previous national Council Tax Benefit Scheme.</p> <p>Caseload Data shows a reduction in the number of individuals entitled to LCTS, thereby reducing the cost of the scheme to the Council and the major precepting authorities (Gloucestershire County Council and Gloucestershire Police and Crime Commissioner) with whom we have a duty to consult.</p> <p>There remains a risk in future years that the cost of the scheme may increase (due to changes in Council Tax rates and caseload). It is recommended that the scheme be kept under review on an annual basis, given the funding gap identified in the Budget Strategy report. The Council is facing significant financial pressures over the medium term with a need to make significant savings in the region of £4-£5m by 2019/20.</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>

Legal Implications	The legislative requirements are covered in the report. There are no foreseeable legal implications provided those requirements are followed. Alan Carr, Solicitor Email alan.carr@stroud.gov.uk Tel: 01453 754357
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Chair of Committee	Councillor Stephen Lydon Chair of Strategy and Resources Committee Tel: 01453 824674 Email: cllr.stephen.lydon@stroud.gov.uk
Options	Council could choose to adopt a scheme that reduces the Council Tax Support that working age claimants received. A number of these options are detailed in this report. These options are not recommended as set out in this report.
Performance Management Follow Up	Scheme impacts and costs will be monitored on an on-going basis and any significant changes will be reported to the committee.
Background Papers/ Appendices	Appendix A – Summary of Scheme

Background

1. The Welfare Reform Act 2012 abolished Council Tax benefit. Under the Local Government Finance Act 2012 local authorities were required to develop a local Council Tax Support scheme which protects pensioners.
2. Following a countywide consultation all of the Gloucestershire districts have adopted the default scheme in 2013/14, 2014/15 2015/16 and 2016/17 (apart from Cotswold DC) which basically mirrored the previous Council Tax benefit scheme. We now have to design a scheme for 2017/18.
3. Stroud has carried out consultation on ways by which the scheme could be changed for 2017/18. Within the consultation were included some models by which we could reduce the level of Council Tax support for working age customers only.
4. Council Tax support for pension age customers can not be reduced.

Working within the County

5. We are working with the other districts on a new scheme for 2017/18. All but one of the districts, along with the County Council, are of the view that Council Tax support should not be reduced, particularly in light of all the

other benefit changes taking place and the impact this is having on the most vulnerable claimants. The exception to this is Cotswold DC who has cut Council Tax support by 8.5% for working age customers.

6. Less than 50 councils nationally have continued to operate the default scheme.
7. Our scheme will mirror any changes made to the Housing Benefit Regulations.
8. As the billing authority, we must consult with our major preceptors, the Police and the County Council on our proposed scheme. As the majority of Council Tax collected is on their behalf, should we decide not to change the scheme, they are most affected by any reduction in funding.

Funding

9. The Council Tax Support Scheme is funded from two sources: 90% of the cost of the scheme is paid by central government as a grant and the remaining shortfall of 10% is funded by SDC.
10. The Government continues to cut the level of funding. The changes to empty property discounts have generated additional Council Tax income which has helped to offset the shortfall in funding of the local Council Tax support scheme.
11. The number of claimants receiving Council Tax support is reducing with 6,512 compared with 6,719 in 2015/16. This has led to a fall in expenditure of over £60k in the last year.

Consultation

12. We undertook consultation on suggestions for our 2017/18 scheme between 18 July 2016 and 26 August 2016. We also have consulted with the other districts and precepting authorities.

Implications

13. If the option to reduce Council Tax support is taken we will be collecting money from claimants who may previously have paid nothing and also be faced with having to pay small amounts. There is potential for a drop in the Council Tax collection and an increase in cost of collection as a result of having to take more recovery action due to non-payment.
14. If the Council Tax charge is increased in 2017/18 then there is a financial implication and risk to the Council as government funding towards the local Council tax support scheme will not change.